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Paper No. 8

RANKIN, HILL & CLARK LLP
38210 GLENN AVENUE
WILLOUGHBY OH 44094-7808

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In re Application of	:	OFFICE OF PETITIONS
Krinsky	:	
Application No. 09/997,110	:	
Patent No. 6,631,683	:	DECISION ON PETITION
Filed: November 29, 2001	:	PURSUANT TO 37 C.F.R.
Issue Date: October 14, 2003	:	§ 1.378(B)
Attorney Docket No. KRIN118206	:	
Title: METHOD OF PREPARING	:	
CUSTOMIZED WALLPAPER PANELS	:	

This is a decision on the petition filed on June 1, 2010, pursuant to 37 C.F.R. § 1.378(b) to revive the above-identified application.

This petition pursuant to 37 C.F.R. § 1.378(b) is **DISMISSED**.

Background

The patent issued on October 14, 2003. The grace period for paying the 3½-year maintenance fee provided in 37 C.F.R. § 1.362(e) expired at midnight on October 14, 2007, with no payment received. Accordingly, the patent expired on October 14, 2007, at midnight.

Any petition to accept an unavoidably delayed payment of a maintenance fee filed under 37 C.F.R. § 1.378(b) must include:

- (1) the required maintenance fee set forth in 37 C.F.R. § 1.20 (e) through (g);
- (2) the surcharge set forth in 37 C.F.R. § 1.20(i)(1), and;

- (3) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent - the showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

With this petition, Petitioner has submitted the surcharge associated with a petition to accept the late payment of a maintenance fee as unavoidable, along with the 3½-year maintenance fee, and multiple statements of facts.

Petitioner has met the first and second requirements of Rule 1.378(b). The third requirement of Rule 1.378(b) will be discussed below.

The standard

35 U.S.C. § 41(c)(1) states, *in pertinent part*:

The Director may accept the payment of any maintenance fee... after the six-month grace period if the delay¹ is shown to the satisfaction of the Director to have been unavoidable.

37 C.F.R. § 1.378(b)(3) is at issue in this case. Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 37 C.F.R. § 1.137(a). This is a very stringent standard. Decisions on reviving abandoned applications on the basis of "unavoidable" delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word 'unavoidable' ... is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business.²

¹ This delay includes the entire period between the due date for the fee and the filing of a grantable petition pursuant to 37 C.F.R. § 1.378(b).

² *In re Mattullath*, 38 App. D.C. 497, 514-15 (1912) (*quoting Ex parte Pratt*, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); *see also Winkler v. Ladd*, 221 F. Supp. 550, 552, 138 U.S.P.Q. 666, 167-68 (D.D.C. 1963), *aff'd*, 143 U.S.P.Q. 172 (D.C. Cir. 1963); *Ex parte Henrich*, 1913 Dec. Comm'r Pat. 139, 141 (1913).

In addition, decisions are made on a "case-by-case basis, taking all the facts and circumstances into account." Nonetheless, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable."³

The burden of showing the cause of the delay is on the person seeking to revive the application.⁴

**Application of the standard to the current facts and
circumstances**

Petitioner's explanation of the delay has been considered, and it has been determined that it fails to meet the standard for acceptance of a late payment of the maintenance fee and surcharge.

The period for paying the 3½-year maintenance fee without the surcharge extended from October 14, 2006 to April 14, 2007 and for paying with the surcharge from April 15, 2007 to October 14, 2007. Thus, the delay in paying the 3½-year maintenance fee extended from October 14, 2007 at midnight to the filing of this petition on June 1, 2010.

The relevant facts are as follows:

1. At all times prior to the expiration of this patent, this patent was owned by the inventor.
2. The inventor did not submit the maintenance fee to the Office, because she determined that "up to and during (the time when the first maintenance fee was due)...insufficient business reasons existed to justify payment of the maintenance fee...the market for customized wallpaper panels and thus, the importance for patents covering methods of providing such, did not provide sufficient cause for the expenditure of maintenance fees."⁵
3. Office records show that on April 1, 2009, the inventor assigned the patent to Howry LLP, and on April 20, 2009, Howry LLP assigned the patent to Petitioner, Avery Dennison Corporation.

³ Haines v. Quigg, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32.

⁴ Id.

⁵ Krinsky declaration of facts, paragraph 8.

4. Petitioner became interested in acquiring this patent, and "in early 2009," Petitioner contacted the inventor to inquire whether she would be interested in assigning the patent to Petitioner.⁶
5. Prior to the aforementioned contact, Petitioner had actual knowledge that the 3½-year maintenance fee had not been submitted.⁷
6. Petitioner spent the time period between April 20, 2009 and February of 2010 obtaining the complete files associated with this patent, evaluating "the patent's relevance and potential value to any Avery business groups and/or current or proposed projects," and obtaining authorization from "the relevant business groups to undertake revival efforts" for this patent.⁸
7. On February 26, 2010, Petitioner contacted Mark Bandy, who prepared and submitted this petition on behalf of Petitioner.⁹
8. Petitioner "has a sophisticated in-house legal and patent department with corresponding docketing systems to ensure that all future maintenance fees associated with (this patent) will be paid..."¹⁰

First, the record does not contain a showing that the inventor had **steps** in place to ensure the timely submission of the maintenance fees. An adequate showing that the delay in payment of the maintenance fees at issue was "unavoidable" within the meaning of 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Where the record fails to disclose that the patentee took reasonable steps to ensure timely payment of the maintenance fees, 35 U.S.C. § 41(c) and 37 C.F.R. § 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR § 1.378(b).

6 Sardesai statement of facts, paragraph 2 and 6.

7 Id. at 5.

8 Id. at 9.

9 Id. at 10 and Bandy statement of facts, paragraph 1.

10 Showing of Unavoidable Delay in Support of Petitions Under 37 CFR § 1.378, page 4.

Second, the record does not reveal the **date and the manner in which Petitioner became aware of the expiration of the patent.**

Third, the record does not support a finding that the entire period of delay was unavoidable.

For the period of time between the expiration of this patent and April 1, 2009, during which the patent was owned by the inventor, **this period of delay has been shown to have been clearly avoidable.** The inventor has clearly indicated that she **intentionally** permitted this patent to expire, as she did not feel that the subject matter of this patent had a level of commercially viability sufficient to justify the financial expense of maintaining this patent. In other words, the inventor has established that this patent was not her most important business.

A prudent and careful woman, acting in relation to her most important business, would not have determined that this patent was not worth the expense that was required to keep it active and enforceable, and consciously allowed it to expire.

As the owner of the patent intentionally allowed this patent to lapse, this portion of the period of delay is not unavoidable.

See MPEP § 711.03(c)(II)(C)(1)(D) for a similar discussion which pertains to unintentional delay in reviving an abandoned patent application.

For the period of time between when Petitioner first discovered that this patent had expired for failure to submit the maintenance fee (prior to "early 2009")¹¹ and the filing of this petition, this period of delay has not been shown to have been unavoidable.

As set forth above, Petitioner has a "sophisticated in-house legal and patent department with corresponding docketing systems." As such, it would appear that Petitioner was well aware of the need to submit maintenance fees, as well as the consequences of not seeking the prompt reinstatement of a patent that is known to have expired for failure to timely submit a maintenance fee. Yet Petitioner, who assumed ownership of this patent on April 20, 2009 and possessed actual knowledge of the fact that the patent was expired, and was in a position to have

¹¹ Sardesai statement of facts, paragraphs 2, 5, and 6.

filed a petition pursuant to 37 C.F.R. § 1.378(c) up until October 14, 2009, failed to file such a petition.

Moreover, rather than promptly seeking the reinstatement of this patent through either the filing of a petition pursuant to 37 C.F.R. §§ 1.378(b) or (c), Petitioner spent the next ten months¹² gathering the relevant paperwork, evaluating the commercial viability of this patent, and obtaining authorization to submit the required fees to the Office, before eventually contacting Mr. Bandy and directing him to seek the reinstatement of this expired patent.

Prudent and careful men, acting in relation to their most important business, would have taken active measures to attempt to reinstate this patent immediately upon learning that it had expired, or at the very least, upon assuming ownership of the patent. Prudent and careful men, acting in relation to their most important business, would not assume ownership of the patent, and then wait ten months before attempting to secure the reinstatement of their most important business.

Conclusion

Any request for reconsideration of this decision must be filed within **TWO MONTHS** of the mailing date of this decision. Any such petition for reconsideration must be accompanied by the \$400 petition fee set forth in 37 C.F.R. § 1.17(h). After decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner. Accordingly, on request for reconsideration, it is extremely important that Petitioner supply any and all relevant information and documentation in order to meet his burden of showing unavoidable delay. This includes statements by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Petitioner must provide documentation and address the deficiencies noted above. If on request for reconsideration, the delayed payment of the maintenance fees is not accepted, then the maintenance fees are subject to refund following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed.

¹² Petitioner first contacted the patent counsel who submitted this petition on behalf of Petitioner on February 26, 2010.

The reply should include a cover letter entitled "Renewed Petition pursuant to 37 C.F.R. § 1.378(e)". This is not a final agency action within the meaning of 5 U.S.C § 704.

Any response to this decision should indicate in a prominent manner that the attorney handling this matter is Paul Shanowski, and may be submitted by mail,¹³ hand-delivery,¹⁴ or facsimile.¹⁵ Registered users of EFS-Web may alternatively submit a response to this decision via EFS-Web.¹⁶

The general phone number for the Office of Petitions which should be used for status requests is (571) 272-3282. Telephone inquiries regarding this decision should be directed to the undersigned at (571) 272-3225. Inquiries pertaining to the submission of maintenance fees should be directed to the Maintenance Fee branch at 571-272-6500.

/Paul Shanowski/
Paul Shanowski
Senior Attorney
Office of Petitions

13 Mail Stop Petition, Commissioner for Patents, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA, 22313-1450.

14 Customer Window, Randolph Building, 401 Dulany Street, Alexandria, VA, 22314.

15 (571) 273-8300 - please note this is a central facsimile number.

16 <https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html>